

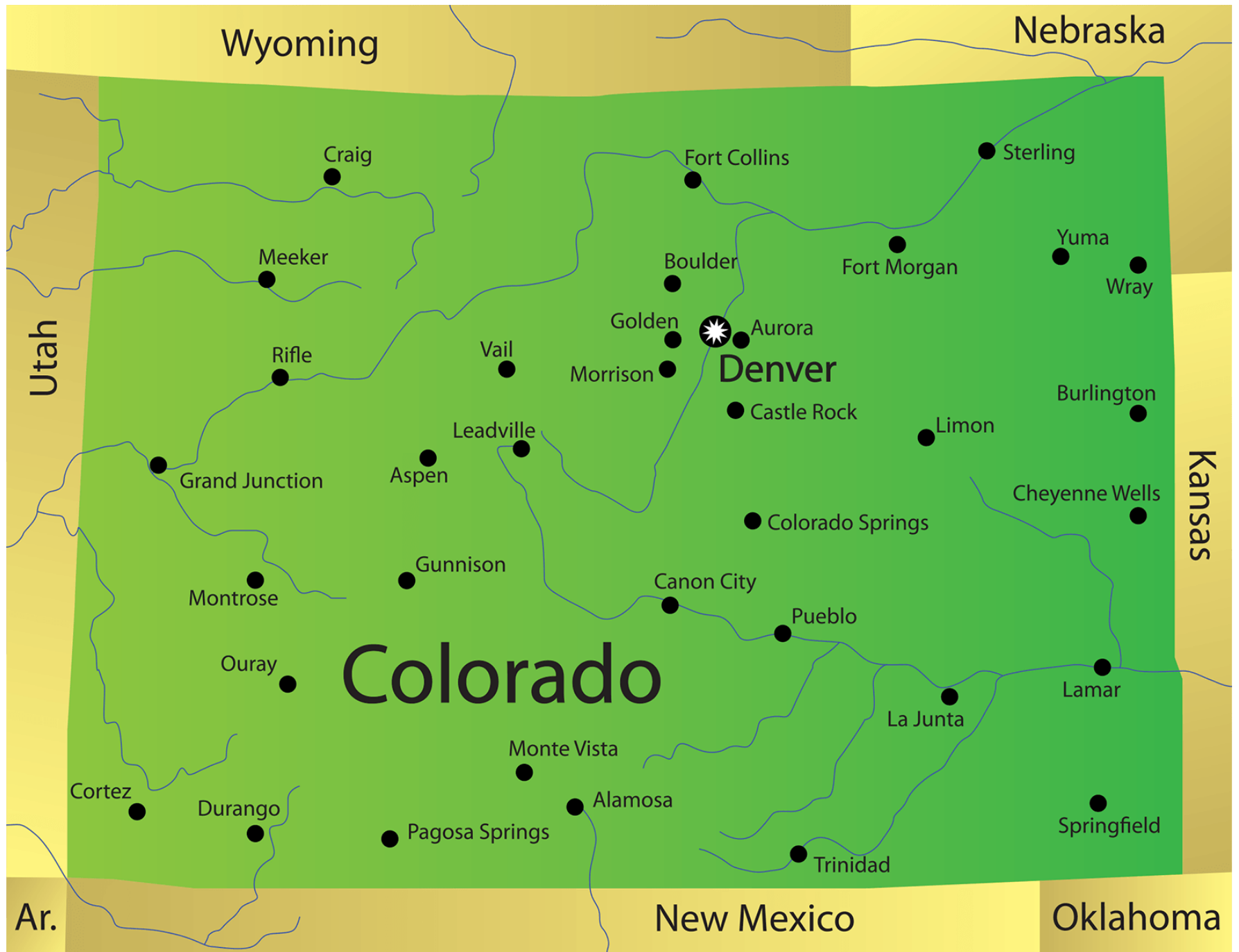
# Colorado's Permanent Supportive Housing Movement

***Jennifer Lopez, Director of Homeless  
Initiatives Governor Hickenlooper  
Sept 2016***



**COLORADO**

**Gov. John Hickenlooper**



# Looking for Solutions



“I don’t have any problem about ideas I got from other people. If I find them useful, I’ll just ease them right in and make them my own. ” - Myles Horton, *We Make the Road By Walking*



# Introduction to Supportive Housing



**Supportive Housing** - A more humane solution to ending homelessness for families and individuals struggling with addiction, mental health and/or other disabilities who lack the social support, resources or ability to sustain and maintain housing without supportive services and subsidized housing.



# Housing

**Permanent:** Not time limited; not transitional

**Affordable:** Tenants pay no more than 30% of their income for rent

**Independent as possible:** Resident holds lease with normal rights and responsibilities



# Service Philosophy

- Housing is a human right
- Housing First
- Harm Reduction



# Minnesota Trip



Housing First  
is the key

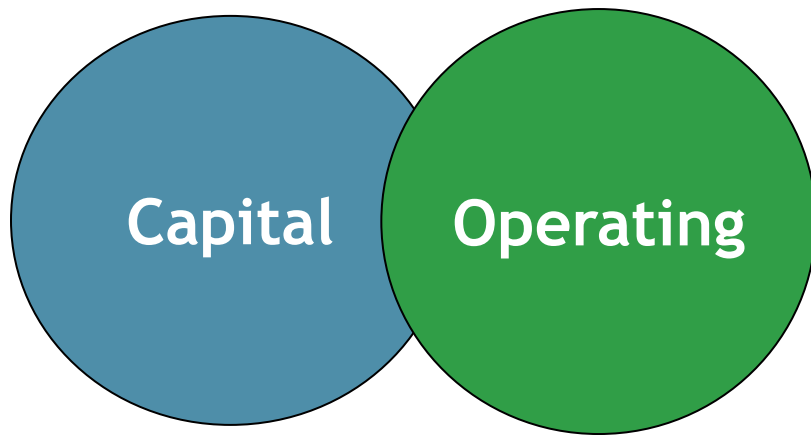


- Resource these efforts well and find the best service providers
- Show it can be done then replicate it
- Housing is easy, providing ongoing, intensive services is much more challenging



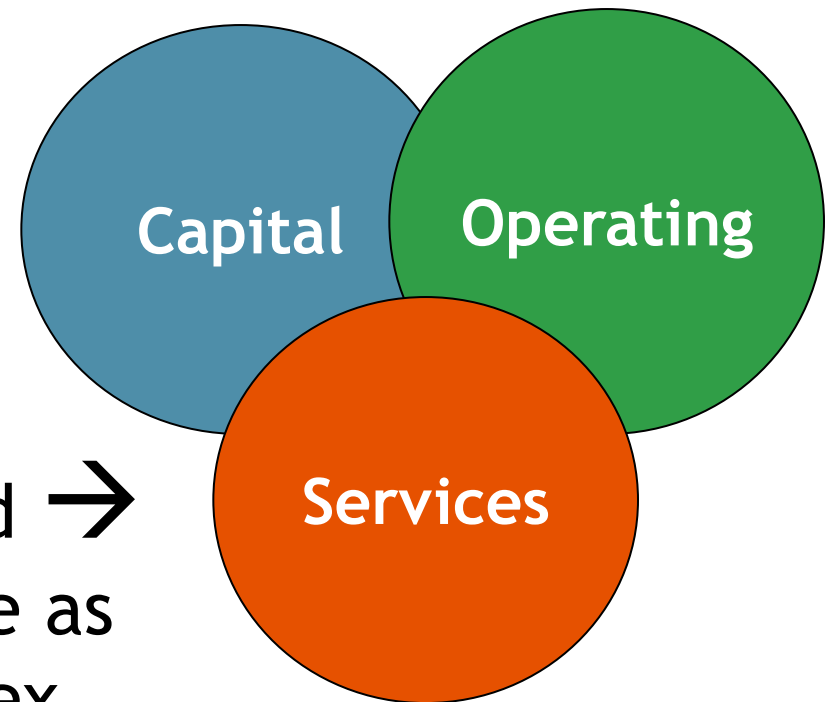
# Financing Supportive Housing

## Traditional Affordable Housing



The most difficult and →  
least stable to finance as  
residents have complex  
needs

## Supportive Housing



# Permanent Supportive Housing & Colorado's Pathways Home Supportive Housing Toolkit



***LeBeau Development, LLC***  
*Engaging community possibilities*



**COLORADO**  
Department of Local Affairs  
Division of Housing



**COLORADO**  
Gov. John Hickenlooper

# Toolkit Process

- A team of 3-5 individuals commit to 5 sessions.
- Teams should consist of a lead sponsor (project owner), lead service provider with experience working with the local homeless/at-risk populations, and the property management entity.
- This group is responsible for implementing a supportive housing development in their community at the end of the program.



# Toolkit Process

- Five sessions over six months. Each 2-day session provides individualized technical assistance covering all aspects of supportive housing
- Teams have the opportunity to report progress during group discussions for peer-to-peer learning.
- Various supportive housing funders may be available to meet with teams and discuss how each community can access potential funding.





# \$\$\$ Resourcing Strategies \$\$\$



*“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”*

*-Richard Buckminster Fuller*



- *Launched in March 2014*
- *Statewide approach*
- *Work across state agencies*



# Helping Colorado Create the Model

- PSH units must have project based vouchers to serve the lowest income and hardest to serve populations.
- Because vouchers are critical to the financial model for PSH developments DOH reviews applications and makes conditional approvals prior to LIHTC.
- Services planning and solid financial assumptions are key to the competition for vouchers.
- PSH projects can be 100% or mixed income, but min of 25% for QAP qualification.
- Goal of no permanent hard debt in project

# Joint Underwriting



- Led by the Governor's Office, the Colorado Department of Local Affairs' Division of Housing, and CHFA.
- Established a coordinated set of application standards, submission deadlines, and review processes during the 2015 LIHTC application round.
- Previously, communities working to develop this type of housing intervention applied for each pool of resources separately.

# Working in Government





# Going to Scale

“The key to this business is personal relationships.” - Dickie Fox in Jerry McGuire







## FOR IMMEDIATE RELEASE

Office of Gov. John Hickenlooper

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### Gov. Hickenlooper commends increase in permanent supportive housing for homeless and special needs populations

**DENVER — Friday, Aug. 7, 2015** — Gov. Hickenlooper today commended the award of \$5.3 million in Low Income Housing Tax Credits (LIHTC) to support Permanent Supportive Housing (PSH) projects in Denver, Greeley, and Lakewood, creating 282 units of housing for individuals and families experiencing homelessness or with severe special needs, the highest number of this type of housing in Colorado's history.

A significant milestone in the state's commitment to provide supportive housing for Colorado's most vulnerable populations, the five projects are the result of a longstanding collaboration between the Governor's Office, the Department of Local Affairs (DOLA), and the Colorado Housing and Finance Authority (CHFA).

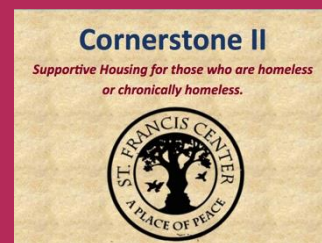
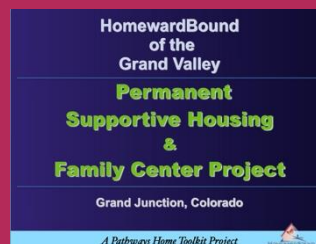
"Combining affordable housing with access to support services like case management, employment training, and mental health treatment, these projects will strengthen Colorado's overall continuum of homeless services and give residents the opportunity to live stable, autonomous, and dignified lives," Hickenlooper said.

Earlier this week, CHFA announced the most recent recipients of federal LIHTC, which is used to support the development and preservation of affordable rental housing. Among the 14 LIHTC award recipients, the following four are PSH developments: Renaissance Downtown Lofts in Denver, Saint Francis Apartments at Cathedral Square in Denver, Sanderson Apartments in Denver, and 40 West Residences in Lakewood. In a previous LIHTC award this year, another PSH development, Guadalupe Apartments in Greeley, received a combination of both state and federal LIHTC.

A study completed in August 2014 found that while Colorado had an existing inventory of 7,800 PSH units, in order to meet the needs of individuals and families living in emergency shelters or experiencing homelessness, an additional 5,800 new PSH units were needed.

To help meet this demand, the Governor's Office, and CHFA partnered with Enterprise Community Partners and LeBeau Development to create a capacity building program called the Pathways Home Supportive Housing Toolkit. The Toolkit is a series of technical assistance and peer learning sessions

"We have been proud to support the development of 282 permanent supportive homeless housing units with tax credits this year. In fact, due to the success of the Toolkit, this is the highest number of homeless housing units supported in any single-year in CHFA's history," said Cris White, executive director and CEO of CHFA.



# SANDERSON GULCH APARTMENTS

*A PATHWAYS HOME TOOLKIT PROJECT*



## CLIENTS

- Individuals with persistent & severe mental illness
- Substance use issues and histories of trauma





# Services Overview

## On-Site Services Provided:

- Case management
- Peer to peer support
- Group & individual therapy
- Trauma treatment

## Access to:

- Psychiatric therapy
- Vocational specialists
- Drug & alcohol treatment
- Medical treatment

## Anticipated Outcomes:

- Reduce demand on emergency services, public safety systems
- Improve health and wellbeing
- Decrease recidivism rates



Development & Construction Budget		Assumptions
Land	\$1,500,000	\$17.84/SF
Hard Construction Costs	\$10,800,000	\$180,000/unit
Soft Costs	\$2,700,000	25% of hard costs
Permanent Financing	\$0	No permanent debt
Developer Fee	\$1,350,000	10% of eligible project costs
Reserves	\$255,000	\$240,000 operating, \$15,000 RR
<b>TOTAL</b>	<b>\$16,605,000</b>	
<b>Per Unit</b>	<b>\$276,750</b>	<b>Assumes 60 units</b>

Building Operating Budget		Assumptions
Administration	\$73,000	Mgt fee, IT, legal, etc.
Utilities	\$60,000	Common areas and units
Maintenance and Repairs	\$70,000	Contracts, extermination, etc.
Insurance	\$37,000	Property and liability
Building Mgt Salaries	\$120,000	Leasing (1.5 FTE), Maint. (1 FTE)
<b>TOTAL</b>	<b>\$360,000</b>	
<b>Per Unit</b>	<b>\$6,000</b>	<b>Assumes 60 units</b>



ARROYO VILLAGE  
1/27/2016



Arroyo Village and the Delores Project Shelter will serve homeless women as well as low- and very low-income individuals and families in the Denver Metro area.

Services to residents will range from communal supportive and individual services, including mental health, chemical dependency, life skills, job training, health and wellness services, ESL and GED classes, cooking classes and children's programs.





Arroyo Village, through an integrated approach of mixed income individuals and families, will provide those in need of permanent supportive housing a platform to improve their lives within a functioning community, while also providing a place to call home for 95 of Denver's working class families.



3 BEDROOM - BLDG B (WFH)

1/8" = 1'-0" 1050 SQ FT NLA



2 BEDROOM - BLDG B (WFH)

1/8" = 1'-0" 815 SQ FT NLA



1 BEDROOM - BLDG A (PSH)

1/8" = 1'-0" 550 SQ FT NLA



1 BEDROOM - BLDG B (WFH)

1/8" = 1'-0" 590 SQ FT NLA

# Operating Budget

Estimated Gross Income:	\$1.27 million
Estimated Expenses & Reserves:	\$578,000
NOI:	\$689,000
Debt Service - Primary:	\$543,000
Debt Service - City of Denver	\$39,000
Primary DCR:	1.26 to 1
City DCR:	1.18 to 1
Operating Subsidies:	
–DHA Section 8 Project Based Vouchers	
–CHFA Increase in Developer Fee	

## Project Budget

Estimated Cost: \$30.3 million

Funding Sources:

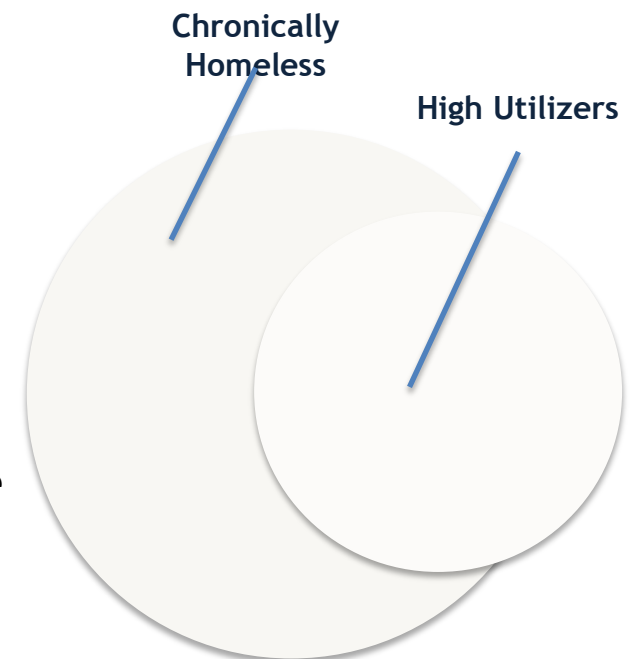
- 4% LIHTC Equity
- CO State TC Equity
- CDOH Grant
- City of Denver Housing Loan Fund
- HUD 221(d)(4) multi-family loan program

# SIB Target Population

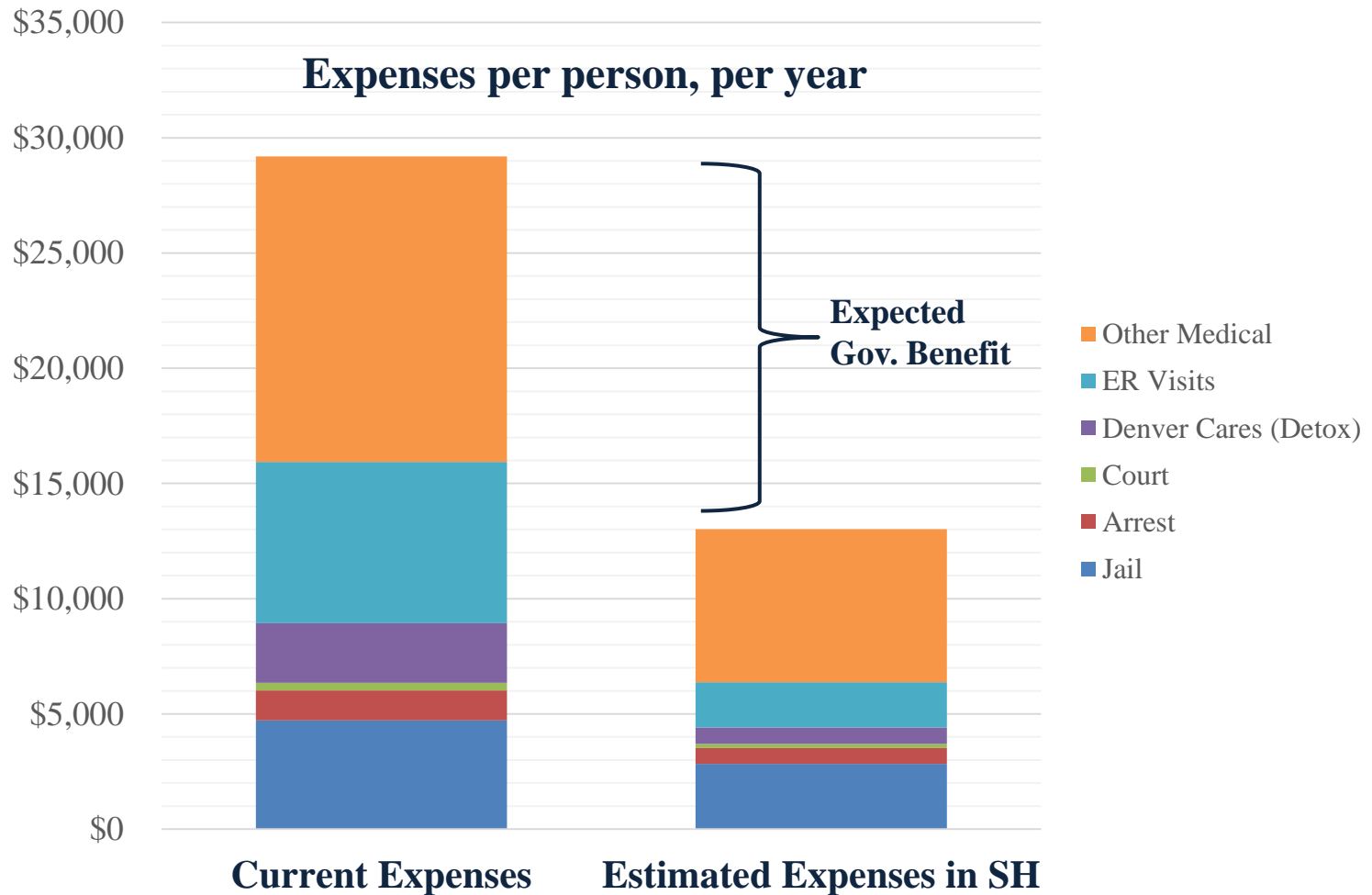


*We are currently paying for costly, ineffective emergency and penal services.*

- **High Utilizers (“Front-End Users”)**—Individuals, typically chronically homeless, who are frequently before the court, in jail and habitually using a spectrum of resources.
  - Frequent usage of emergency rooms, detox, and ambulatory services.
  - High level of public safety usage (i.e. arrests, jail admissions and discharges).
    - **Low-level offense types:** Public nuisance (22%), Alcohol (30%), Panhandling (4%), Trespass (19%), Drug (11%), Other (14%)



# Costs: Homeless vs. Supportive Housing



\*Estimated expenses in supportive housing do not include the cost of supportive housing.

# SIB Project Details

## Project Goals:

- 1) Demonstrate that housing and intensive case management can improve lives *and* reduce taxpayer costs.
- 2) Add to the City's capacity to house vulnerable populations.
- 3) Develop new mechanisms and funding to pay for case management services that formerly received federal support.

## Size:

- 250+ chronically homeless individuals

## Duration:

- 5 years of SIB funding, additional time for evaluation and payment

## Services:

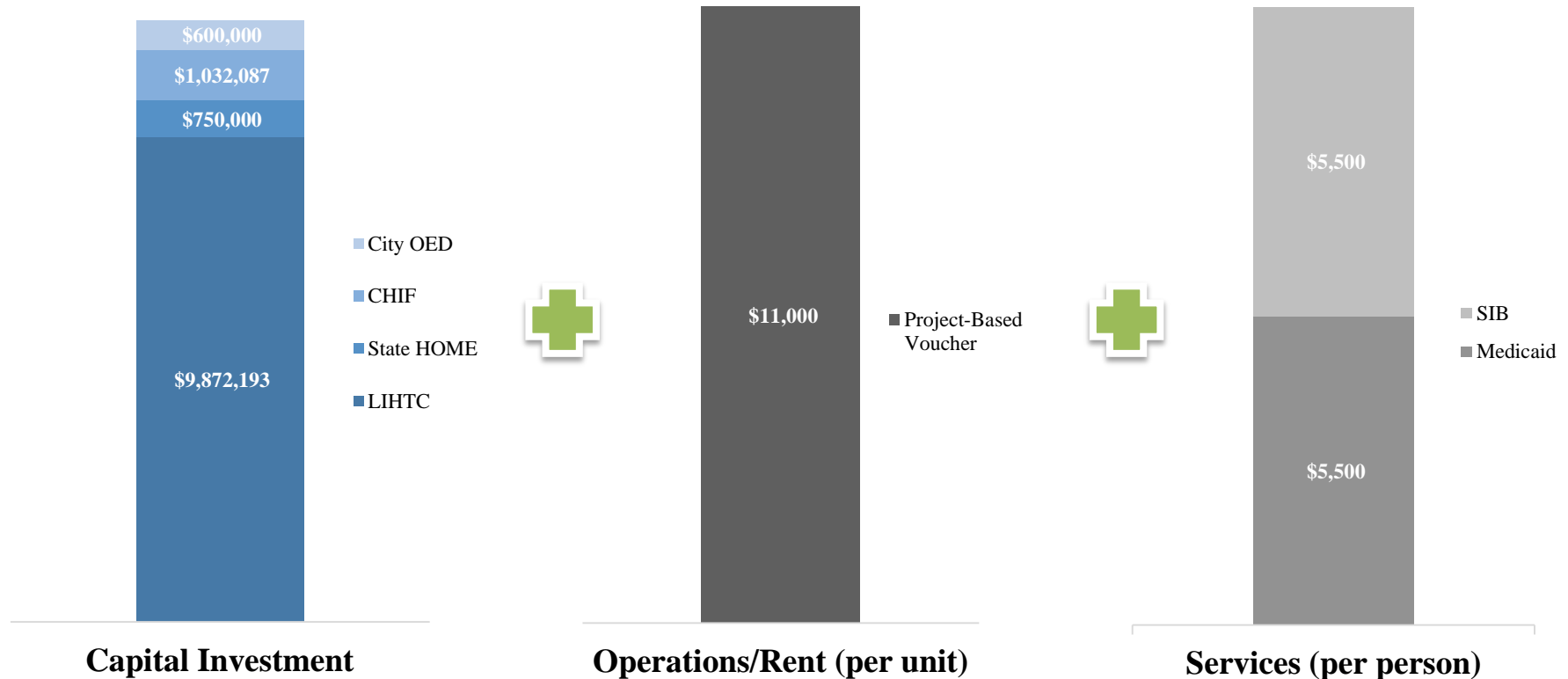
- 2-3 new Assertive Community Treatment teams (ratio of ~ 1 case manager to 10 individuals)
- Connection to preventative health + additional services

## Housing Details:

- Possible use of two new housing developments with an anticipated **210 new units** of housing (one Mental Health Center of Denver (MHCD) building, one Colorado Coalition for the Homeless (CCH) building, new 20 units at CCH's North Colorado Station, 30 units at St. Francis' new building).
- Provision of additional services and subsidies to 40 units that are vacant through turnover and/or landlord recruitment.



# How Funding Works (Example: New Construction)



**City OED**—Recently passed general fund dollars will be used to provide loan to the project.

**Colorado Housing Investment Fund (CHIF)**—CHIF general provides 1) short term, low interest loans to bridge the long-term permanent financing sources (a portion of loan may remain in the project as permanent debt) and 2) short term loan guarantees for new construction and rehabilitation.

**HOME**—Federal dollars that fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

**Project-Based Vouchers**—Half provided by Denver Housing Authority, half provided by State Division of Housing.



# Denver will Pay for Outcomes in Two Areas

## (1) Housing Stability

- City only pays if a participant spends at least one year in housing.
- Thereafter, payments made on days in housing minus days spent in jail.
- If participant does not meet one year threshold, they can replace that unit with a new participant.

## (2) Jail Bed Day Reduction

- Payments made based upon the percentage reduction seen between participants and non-participants over 5 years.
- No payments made below 20% reduction.
- Maximum payment at 65% reduction.

# Public Will Building

**A blend of communications, advocacy, education and leadership designed to:**

- Connect an issue to *existing*, closely held values people have
- Increase awareness and understanding
- Move people to take actions, collectively create change
- Form a new or different set of community expectations

After three decades of litigation against tobacco companies with little change in public perception about smoking, the tobacco industry now pays billions for public health programs, smokefree public spaces are the norm, and smokefree restaurants, bars and hotels are in high demand from consumers.

# What changed? Public will.

Public Will-Building Campaigns	Public Awareness/Opinion Campaigns
Focus on long-term change built over time	Focus on short-term wins
Seek to change views by connecting to the <i>existing</i> values audiences hold	Concentrate on changing public opinion
Move people to take one or more actions and asks them to be a champion for the movement	Aim to move a target audience to share an opinion linked to a specific issue
Lead to deeper public understanding and ownership of social change	Address symptoms, rather than tackling root causes of problems or needs
Engage broad-based grassroots support to influence individual and institutional change	Place the vast majority of resources into mass media
Invest in greater audience engagement to achieve sustainable change	Are vulnerable to public opinion being swayed back and forth
Create new and lasting community expectations that shape the way people act, think and behave	Narrow the discourse and discourages personal exploration or engagement with an issue



Close To Home is a public will-building campaign to help Coloradans better understand the underlying causes of homelessness, regard homelessness as a priority issue, speak up, and take actions that make a meaningful difference.

Encouraging more support for current needs and advancing solutions that address root causes of homelessness



**CLOSE TO HOME**  
MAKE HOMELESSNESS HISTORY IN COLORADO



We all need  
a safe place  
to call home.

Visit [closetohomeco.org](http://closetohomeco.org) to learn more about Coloradans like Dana and his daughter Rene who have experienced homelessness.

### Homelessness is Close to Home.

**322%**

Increase over the past decade of school-aged children known to be homeless in Metro Denver.<sup>1</sup>

**51%**

Families and children make up more than half of homelessness in Metro Denver.<sup>2</sup>

**43%**

Metro Denver residents with family members or close friends who have experienced homelessness.<sup>3</sup>

**\$43,240 vs \$11,694**

Cost of homelessness      Cost of housing

It costs Colorado taxpayers \$43,240 per year for each individual experiencing chronic homelessness to cover costs ranging from emergency health care to legal issues. Providing affordable, supportive housing to these individuals costs \$11,694 per person.<sup>4</sup>

**97**

Hours a week

The amount of time a minimum wage worker needs to work per week to afford a 2-bedroom rental unit in Colorado.<sup>5</sup>

# Campaign Leadership



DENVER  
METRO  
CHAMBER  
OF COMMERCE

COMMUNITY  
SOLUTIONS

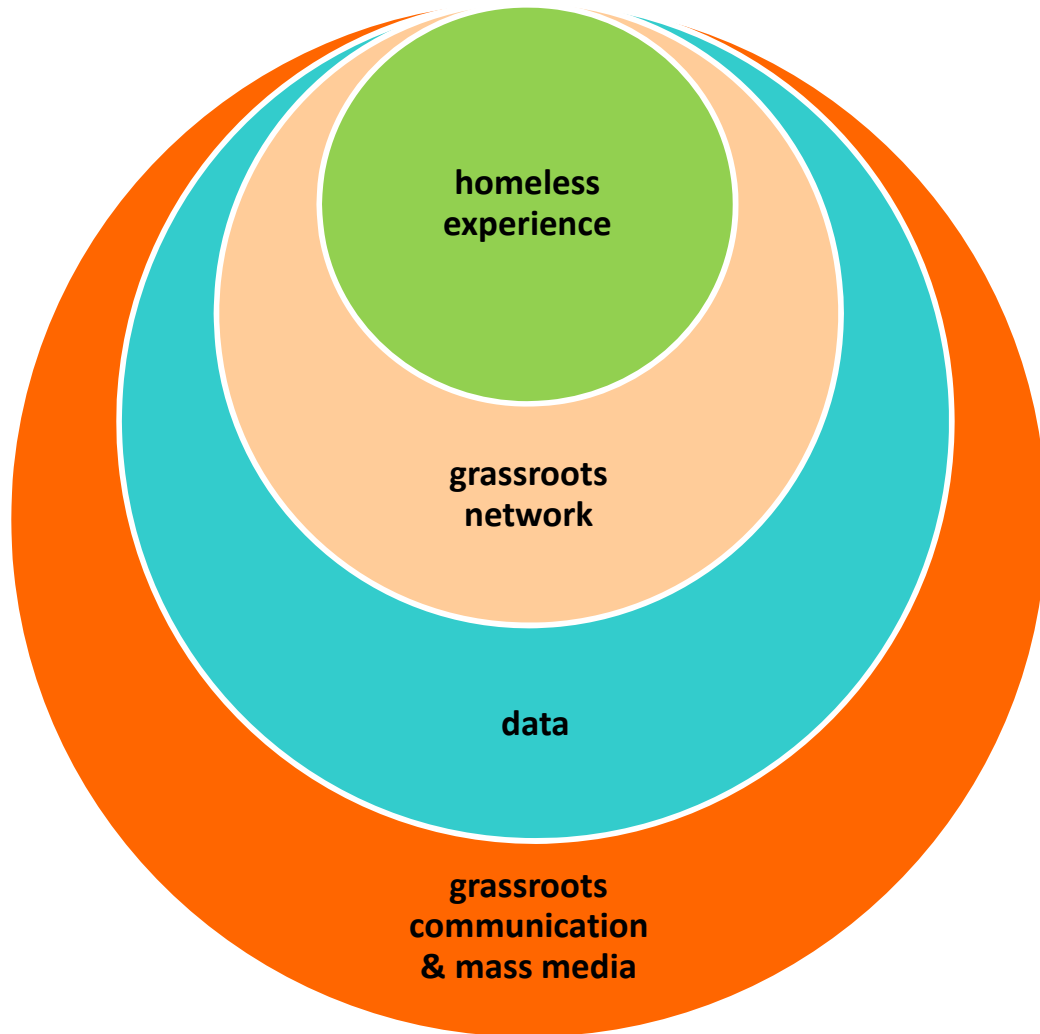


THE DENVER FOUNDATION

# Campaign Partners



# Campaign Approach



## What is the price of homelessness? Aurora tackling the issue with cash

New VA hospital in Aurora could bring more homeless people seeking medical attention

By Carlos Illescas  
*The Denver Post*

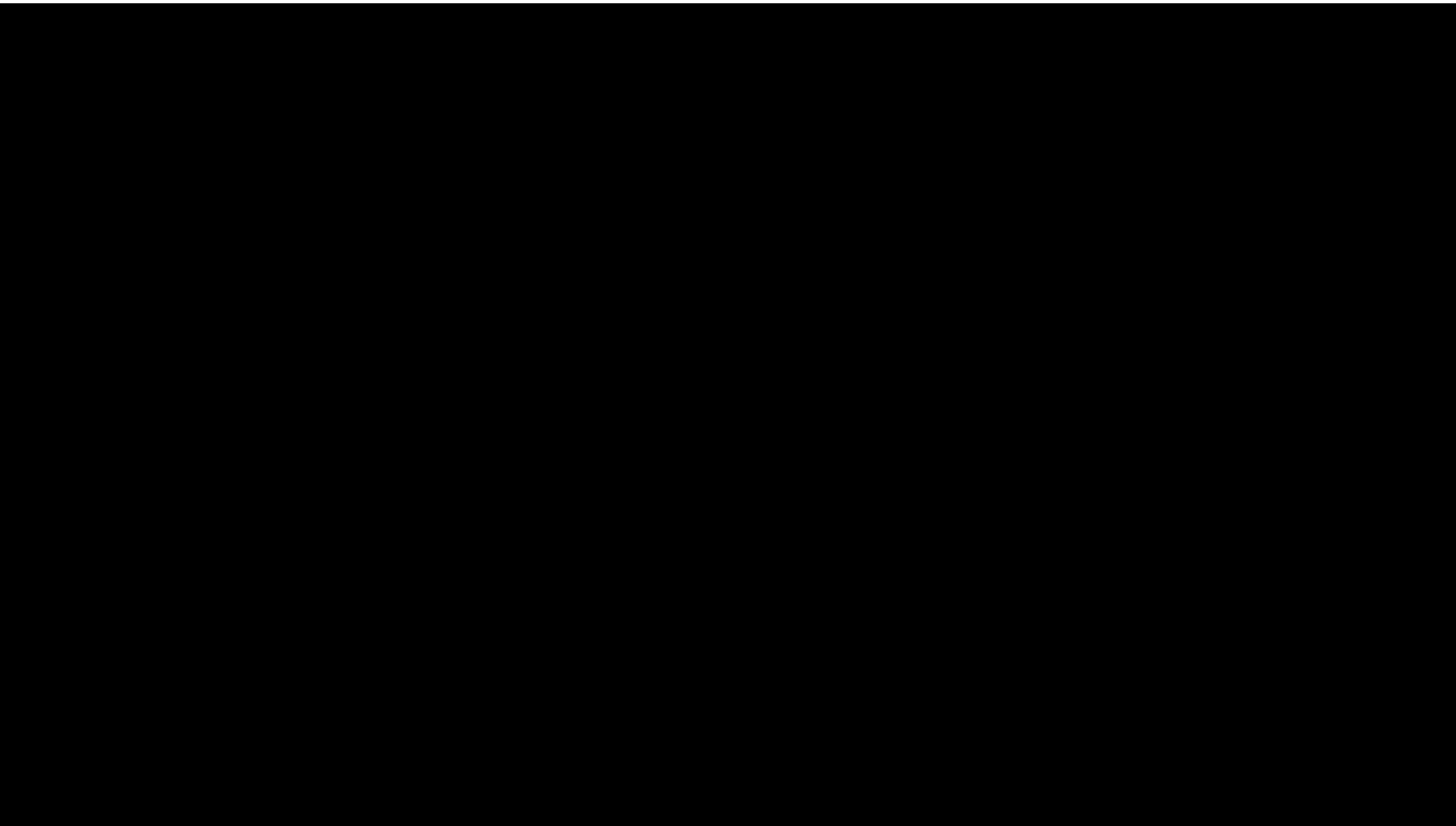
## More people in Colorado are having to choose between living with domestic violence and homelessness



BY: Mark Boyle

POSTED: 9:48 AM, Mar 14, 2016





# CloseToHomeCO.org



[LEARN](#) ▾ [TAKE ACTION](#) ▾ [ABOUT](#) ▾ [GET HELP](#) ▾

**We all need a safe  
place to call home.**

Did you know that more than half of the people  
experiencing homelessness in Metro Denver  
are families and children?

[LEARN MORE](#)



You complete me.

# Thank you!



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